

**Karabakh Revival Fund**

**International Financial Reporting Standards  
Financial Statements and  
Independent Auditor's Report**

**31 December 2024**

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## Independent Auditor's Report

To the Supervisory Board and Management of Karabakh Revival Fund:

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Karabakh Revival Fund (the "Fund") as at 31 December 2024, and the Fund's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Audit Azerbaijan LLC

Baku, Republic of Azerbaijan

23 May 2025

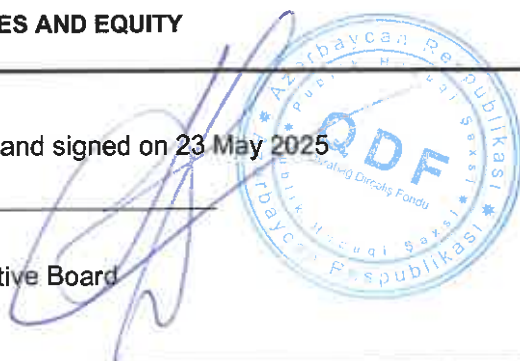


**Karabakh Revival Fund**  
**Statement of Financial Position**

<i>In Azerbaijani Manats</i>	Note	31 December 2024	31 December 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,192,776	498,982
Intangible assets		1,748,339	404,730
Investment in debt securities	8	873,056,703	672,871,383
<b>Total non-current assets</b>		<b>875,997,818</b>	<b>673,775,095</b>
<b>Current assets</b>			
Donated assets		3,990,661	3,990,661
Inventories		56,629	45,991
Prepayment		3,625,949	142,052
Investment in debt securities	8	315,787,243	317,953,317
Cash and cash equivalents	9	418,199,570	481,154,947
Other tax prepayment		60,447	3,181
Other assets		94,585	-
<b>Total current assets</b>		<b>741,815,084</b>	<b>803,290,149</b>
<b>TOTAL ASSETS</b>		<b>1,617,812,902</b>	<b>1,477,065,244</b>
<b>EQUITY</b>			
Charter capital		1,000,000	1,000,000
Retained earnings		1,609,237,994	1,471,712,539
<b>TOTAL EQUITY</b>		<b>1,610,237,994</b>	<b>1,472,712,539</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		26,499	51,505
Current income tax payable	13	7,548,409	4,301,200
<b>Total current liabilities</b>		<b>7,574,908</b>	<b>4,352,705</b>
<b>TOTAL LIABILITIES</b>		<b>7,574,908</b>	<b>4,352,705</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,617,812,902</b>	<b>1,477,065,244</b>

Approved for issue and signed on 23 May 2025

Rahman Hajiyev  
Chairman of Executive Board



Vusala Abasova  
Senior Specialist of Finance Department

**Karabakh Revival Fund**  
**Statement of Profit or Loss and Other Comprehensive Income**

<i>In Azerbaijani Manats</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Income from donations	10	80,286,899	206,485,811
Finance income	11	74,579,021	47,195,993
<b>Gross Profit</b>		<b>154,865,920</b>	<b>253,681,804</b>
General, administrative, and other operating expenses	12	(3,635,454)	(3,628,333)
Net impairment gain/(loss) on financial assets	15	1,359,911	(396,620)
<b>Operating profit</b>		<b>152,590,377</b>	<b>249,656,851</b>
Foreign exchange (loss)/gain		(468,900)	293,400
<b>Profit before income tax</b>		<b>152,121,477</b>	<b>249,950,251</b>
Income tax expense	13	(14,596,022)	(9,397,145)
<b>PROFIT FOR THE YEAR</b>		<b>137,525,455</b>	<b>240,553,106</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>137,525,455</b>	<b>240,553,106</b>

Approved for issue and signed on 23 May 2025

  
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 Rahman Hajiyev  
 Chairman of Executive Board



  
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 Vusala Abasova  
 Senior Specialist of Finance Department

**Karabakh Revival Fund**  
**Statement of Changes in Equity**

<i>In Azerbaijani Manats</i>	<b>Charter capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 1 January 2023</b>	<b>1,000,000</b>	<b>1,231,159,433</b>	<b>1,232,159,433</b>
Profit for the year	-	240,553,106	240,553,106
Total comprehensive income for 2023	-	240,553,106	240,553,106
<b>Balance at 31 December 2023</b>	<b>1,000,000</b>	<b>1,471,712,539</b>	<b>1,472,712,539</b>
Profit for the year	-	137,525,455	137,525,455
Total comprehensive income for 2024	-	137,525,455	137,525,455
<b>Balance at 31 December 2024</b>	<b>1,000,000</b>	<b>1,609,237,994</b>	<b>1,610,237,994</b>

Approved for issue and signed on 23 May 2025

  
Rahman Hajiyev  
Chairman of Executive Board



  
Vusala Abasova  
Senior Specialist of Finance Department

**Karabakh Revival Fund**  
**Statement of Cash Flows**

<i>In Azerbaijani Manats</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Profit before income tax		152,121,477	249,950,251
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets		52,777	42,072
Net impairment (gains)/losses on financial assets		(1,359,911)	396,620
Finance income	11	(74,579,021)	(47,195,993)
Foreign exchange loss/(gain)		468,900	(293,400)
<b>Operating cash flows before working capital changes</b>		<b>76,704,222</b>	<b>202,899,550</b>
Increase in donated assets and inventories		(10,638)	(27,909)
Increase in prepayment		(3,483,897)	(139,049)
Increase in other current assets		(94,585)	-
Increase/(decrease) in trade and other payables		(1,894)	1,914
Increase/(decrease) in taxes payable		(80,377)	48,470
<b>Changes in working capital</b>		<b>(3,671,391)</b>	<b>(116,574)</b>
Income taxes paid		(11,348,813)	(11,060,313)
<b>Net cash from operating activities</b>		<b>61,684,018</b>	<b>191,722,663</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(737,231)	(213,335)
Additions to intangible assets		(1,352,949)	(349,432)
Investment in securities, net of receipt from matured securities	8	(178,244,356)	(324,367,131)
Interest received		54,208,436	42,262,421
<b>Net cash used in investing activities</b>		<b>(126,126,100)</b>	<b>(282,667,477)</b>
Effect of exchange rate changes on cash and cash equivalents		(468,900)	293,400
Net impairment gains on cash and cash equivalents		1,955,605	719,562
<b>Cash and cash equivalents at the beginning of the year</b>		<b>481,154,947</b>	<b>571,086,799</b>
<b>Cash and cash equivalents at the end of the year</b>	9	<b>418,199,570</b>	<b>481,154,947</b>

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